

CHAPTER 9

STATEMENT OF CUSTODIAL ACTIVITY0901 FORMAT FOR THE STATEMENT OF CUSTODIAL ACTIVITY

Department of Defense [Reporting Entity] STATEMENT OF CUSTODIAL ACTIVITY For the period ending September 30, XXXX (\$ in Thousands)	
	FY <u>XXXX</u>
SOURCES OF COLLECTIONS	
1. Sources of Cash Collections:	
Deposits by Foreign Governments	\$ xxx,xxx
2. Total Cash Collections	<u>\$ xxx,xxx</u>
3. Accrual Adjustments (+/-)	<u>xxx,xxx</u>
4. Total Custodial Revenue	<u>\$ xxx,xxx</u>
DISPOSITION OF COLLECTIONS	
5. Disbursed on Behalf of Foreign Governments and International Organizations	\$ xxx,xxx
6. Increase (Decrease) in Amounts to be Transferred	xxx,xxx
7. Collections Used for Refunds and Other Payments	xxx,xxx
8. Retained by the Reporting Entity	xxx,xxx
9. Total Disposition of Revenue	<u>\$ xxx,xxx</u>
10. Net Custodial Revenue Activity	<u>\$ xxx,xxx</u>
Additional information included in Note 21.	
The accompanying notes are an integral part of these statements.	

Figure 9-1

0902 INSTRUCTIONS FOR THE STATEMENT OF CUSTODIAL ACTIVITY

090201. General. General Instructions for the Preparation of the Statement of Custodial Activity. The Statement of Custodial Activity is required for entities that collect nonexchange revenue for the General Fund of the Treasury, a trust fund, or other recipient entities. The collecting entities do not recognize collections that have been or should be transferred to others as revenues. Rather, they shall account for sources and disposition of the collections as custodial activities on the Statement of Custodial Activity. Material disclosures pertinent to the Statement of Custodial Activity are provided at Note 21.

090202. An exception to requiring preparation of the Statement of Custodial Activity is made when collecting entities have custodial collections that are nonmaterial and incidental to their primary mission. In these cases, the sources and disposition of the collections may be disclosed in accompanying footnotes.

090203. Instructions for the Preparation of the Statement of Custodial Activity.

A. Sources of Collections – Lines 1 through 4. Report in this section of the statement the components of cash collections. Funds provided in the context of Foreign Military Sales (FMS) are an example of applicable cash collections. A Statement of Custodial Activity shall be provided which reports the amounts of cash receipts and disbursement of the FMS trust Fund during the year.

1. Sources of Collections: Deposits by Foreign Governments – Line 1. Include the deposits by foreign government during the period.

2. Total Cash Collections – Line 2. This line equals line 1.

3. Accrual Adjustments – Line 3. This section of the report also includes the accrual adjustment (Line 3.), which shall be shown separately and added or subtracted from the net collections to determine the total custodial revenue. If the accrual adjustments are material in relation to the gross collections, consideration should be given to reporting them separately in a footnote.

4. Total Custodial Revenue – Line 4. This line is the sum of lines 2 and 3.

B. Disposition of Collections – Lines 5 through 9. This section of the statement accounts for the disposition of the revenue reported in the preceding section.

1. Amounts Disbursed on Behalf of Foreign Governments and International Organizations – Line 5. The net amount disbursed on behalf of foreign governments and international organizations is computed by subtracting refunds from gross amounts disbursed.

2. Increase (Decrease) in Amounts to be Transferred – Line 6. Report the change in liability for revenue yet to be transferred. The liability may exist because it is a receivable, but has not yet been collected, or because collections already made have not yet been transferred to the entity for which collected as of the end of the reporting period.

3. Collections Used for Refunds and Other Payments – Line 7. Report the refunds and other payments made from collections on this line.

4. Retained by the Reporting Entity – Line 8. In some cases, collecting entities are permitted to retain a portion of amounts collected. Amounts retained shall be separately reported by the collecting entity.

5. Total Disposition of Revenue – Line 9. This line is the sum of lines 5, 6, 7, and 8.

C. Net Custodial Revenue Activity – Line 10. The total of the sources of collection section (total revenue) shall equal the total of the disposition of collections section (total disposition of revenue). The net custodial activity shall always equal zero.

0903 GENEAL LEDGER CROSSWALK FOR THE STATEMENT OF CUSTODIAL ACTIVITY. The following provides an explanation of the information included in the columns of the crosswalk (all balances are preclosing balances, except where noted):

090301. Column (1) represents the line number on the statement.
090302. Column (2) identifies the title of the line number on the statement.
090303. Column (3) reflects the U.S. Standard General Ledger account numbers included on each line of the statement.
090304. Column (4) identifies the title of the general ledger account.
090305. Column (5) additional information to be used in developing the presentation of the identified data.

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Custodial Activity Title	Acct. No.	Account Title	Additional Detail Required
1	Sources of Cash Collections: Deposits by Foreign Governments	1010 1190	Fund Balance With Treasury Other Cash	Funds Collected, Custodial nonentity Custodial nonentity
2.	Total Cash Collections		Equals line 1	
	DISPOSITION OF COLLECTIONS			
3	Accrual Adjustments	1310 2110	Accounts Receivable Accounts Payable	Custodial nonentity Custodial nonentity
4	Total Custodial Revenue		Calculation (Line 2 plus line 3)	
5	Disbursed on Behalf of Foreign Governments and International Organizations	1010	Fund Balance With Treasury	Funds Disbursed, Custodial nonentity

Table 9-1

(1)	(2)	(3)	(4)	(5)
Line No.	Statement of Custodial Activity Title	Acct. No.	Account Title	Additional Detail Required
6	Increase (Decrease) in Amounts to be Transferred	2980	Custodial Liability	Custodial nonentity
7	Collections Used for Refunds and Other Payments	1010	Fund Balance With Treasury	Refunds, Custodial nonentity
8	Retained by the Reporting Entity		Calculation (Sum Line 4 minus line 5, minus line 6, minus line 7)	
9	Total Disposition of Revenue		Calculation (Sum Line 5, plus line 6, plus line 7, plus line 8)	
10	Net Custodial Revenue Activity		Calculation (Sum Line 4 minus line 9)	Must equal zero

Table 9-1 (cont.)